

# CALIFORNIA ECONOMIC FORECAST

In 2016, the state's official population was 39.4 million people, and total wage and salary employment stood at just over 16.9 million jobs. California accounts for 12.2 percent of the U.S. population and 11.7 percent of the nation's non-farm wage and salary employment. The per capita income in California is \$55,838 and the average salary per worker is \$72,909.

In 2016, a total of 426,000 wage and salary jobs were gained in California, representing an increase of 2.6 percent. Job growth was observed at 3.4 percent in the Sacramento Valley, 3.3 percent in the Bay Area, 2.9 percent in the Central Valley, and 2.5 percent in Southern California. The statewide unemployment rate improved substantially, falling from 6.2 percent in 2015 to 5.4 percent in 2016.

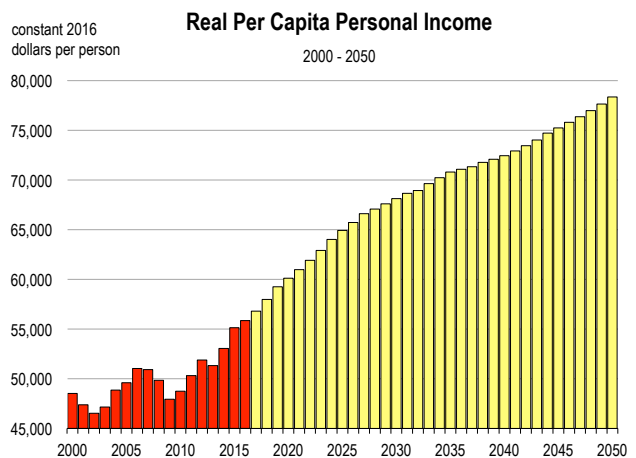
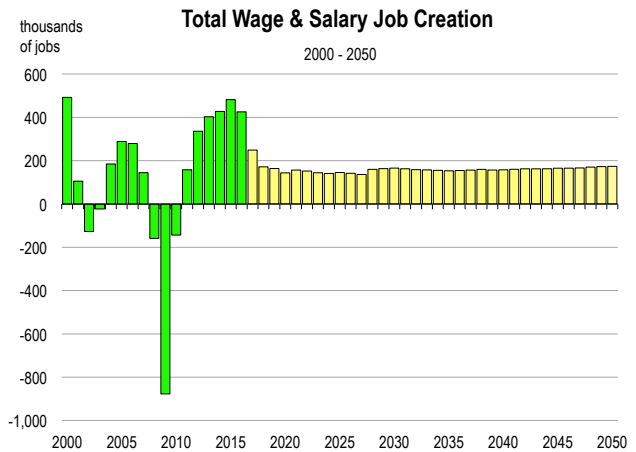
Most major employment sectors created jobs in 2016. The largest increases were observed in healthcare and education (+82,000 jobs), government (+51,000 jobs), professional business services (+50,000 jobs), construction (+42,000 jobs), transportation and utilities (+30,000 jobs), and wholesale and retail trade (+29,000 jobs). The only major sector with job losses was mining and natural resources (-5,000 jobs).

Between 2011 and 2016, the state population grew at an annual average rate of 0.9 percent. Growth was observed in 43 counties, while declines were observed in 14 counties, and one county had virtually no change. The fastest growing county was Alameda, which increased at an average rate of 1.3 percent per year. The county with most rapid decline was Lassen, which fell by 2.4 percent per year.

Over the 2011-2016 period, the majority of all statewide population growth was the result of the natural increase (new births), which added more than 245,000 new residents each year. Over the same time frame, net migration added more than 87,000 residents to the population each year, accounting for 26 percent of all population growth.

## FORECAST HIGHLIGHTS

- In 2017, total wage and salary employment will increase by 1.5 percent. Between 2017 and 2022, growth will average 0.9 percent per year.
- Average salaries, adjusted for inflation, are expected to increase by 1.8 percent per year during the 2017-2022 period.
- Between 2017 and 2022, job creation will be spread across a broad range of industries. The largest gains will occur in professional and business services (+231,000 jobs), education and healthcare (+125,300 jobs), leisure and hospitality (+117,200 jobs), wholesale and retail trade (+61,500 jobs), and government (+48,300 jobs). Together, these sectors will account for 74 percent of net job creation in the state.
- Between 2017 and 2022, job losses will be observed in agriculture (-11,500 jobs).
- The population growth rate will decelerate slightly, averaging 0.7 percent per year from 2017 to 2022.

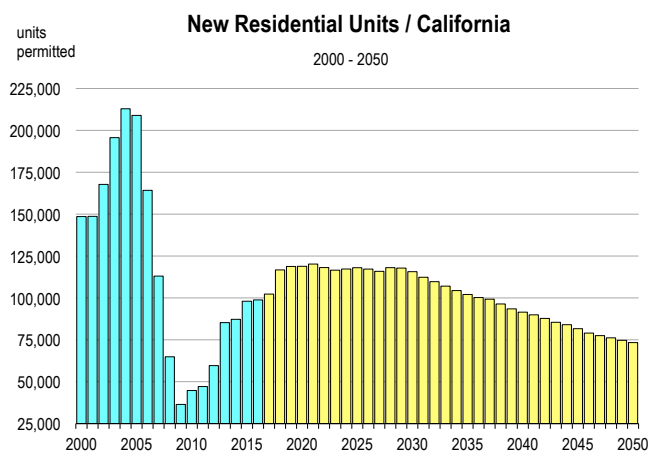
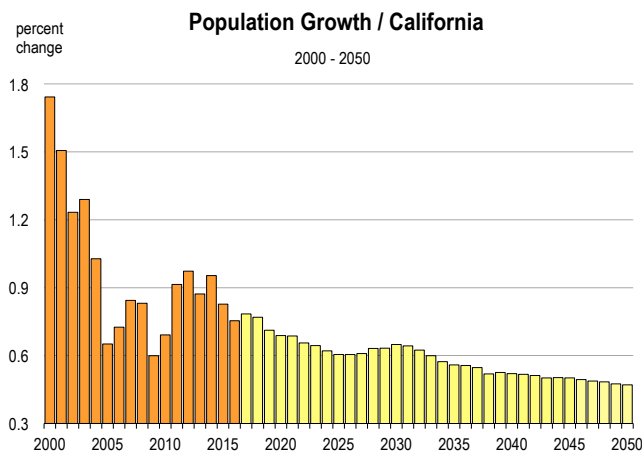


- Net migration is expected to be positive over the forecast period. In 2017, approximately 79,800 net migrants will enter the state. Over the following five years, an average of 87,300 net migrants will enter each year, accounting for 19 percent of total population growth.
- Real per capita income is projected to increase by 1.3 percent in 2017. Between 2017 and 2022, real per capita income is expected to rise by an average of 1.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow by 0.4 percent in 2017. From 2017 to 2022, real taxable sales will increase at an average annual rate of 1.0 percent per year.
- Industrial production is expected to increase by 4.2 percent in 2017. Between 2017 and 2022, the growth rate of industrial production will average 1.8 percent per year. Total crop production, adjusted for inflation, is expected to rise by an average of 0.7 percent per year between 2017 and 2022.

# California Economic Forecast

## 2010-2016 History, 2017-2050 Forecast

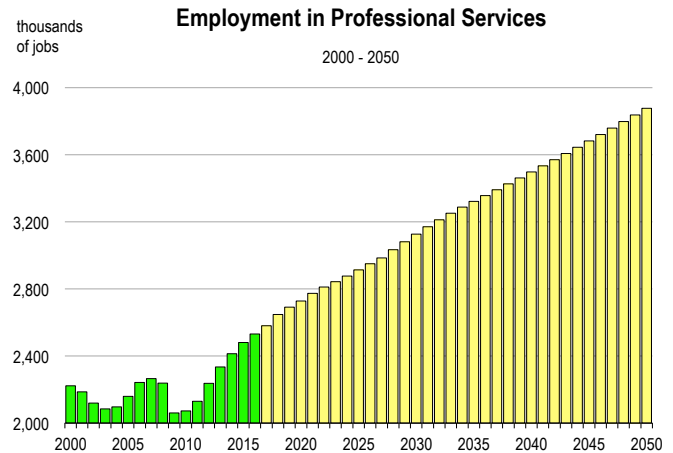
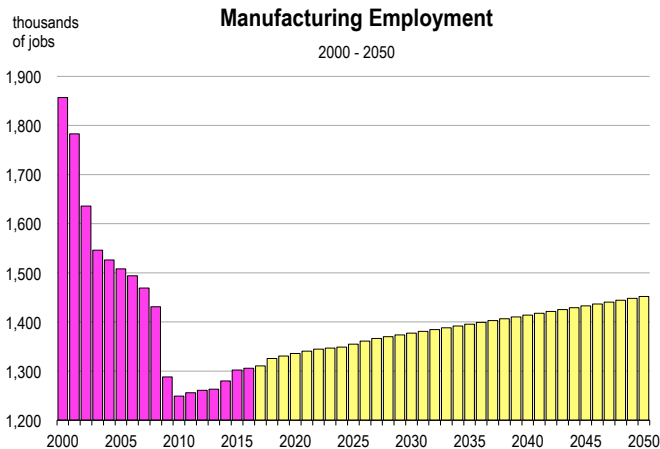
	Population (millions)	Net Migration (thousands)	Registered Vehicles (millions)	Households (millions)	New Homes Permitted (thousands)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	37.33	-31.2	31.9	12.6	44.8	\$477.3	\$1,617.1	\$48,737	1.3	42.6	343.2	12.2
2011	37.67	69.4	31.7	12.6	47.1	\$520.6	\$1,727.4	\$50,258	2.7	47.5	339.3	11.7
2012	38.04	108.5	31.8	12.7	59.6	\$558.4	\$1,838.6	\$51,817	2.7	47.5	351.5	10.4
2013	38.37	80.2	32.8	12.7	85.3	\$586.8	\$1,862.0	\$51,275	2.3	49.0	363.0	9.0
2014	38.74	111.5	33.4	12.8	87.3	\$615.8	\$1,977.9	\$52,985	2.8	56.0	374.3	7.5
2015	39.06	74.1	34.2	12.9	98.1	\$633.9	\$2,103.7	\$55,087	2.6	48.1	382.3	6.2
2016	39.35	62.6	35.2	12.9	98.9	\$653.6	\$2,197.5	\$55,838	3.0	48.0	391.3	5.4
2017	39.66	79.8	35.9	13.0	102.3	\$676.0	\$2,309.3	\$56,536	3.1	49.1	407.7	4.8
2018	39.97	75.7	36.3	13.1	116.8	\$703.9	\$2,438.1	\$57,633	3.0	49.5	412.9	4.6
2019	40.25	54.5	36.6	13.2	118.8	\$731.8	\$2,576.5	\$58,839	2.6	49.8	419.7	4.4
2020	40.53	47.5	36.9	13.3	118.9	\$760.7	\$2,708.9	\$59,758	3.1	50.2	429.2	4.5
2021	40.81	49.1	37.2	13.5	120.3	\$789.6	\$2,848.6	\$60,715	3.0	50.6	436.4	4.6
2022	41.08	39.1	37.4	13.6	118.2	\$819.5	\$2,995.3	\$61,745	3.0	51.0	445.8	4.8
2023	41.34	37.0	37.7	13.7	116.6	\$851.5	\$3,148.7	\$62,826	3.0	51.3	456.1	4.9
2024	41.60	30.1	38.0	13.8	117.3	\$886.3	\$3,309.3	\$64,036	2.9	51.7	465.7	5.1
2025	41.85	26.0	38.3	13.9	118.1	\$919.8	\$3,462.3	\$65,070	2.9	52.1	475.0	5.2
2026	42.10	28.5	38.5	14.0	117.3	\$955.3	\$3,613.2	\$65,997	2.8	52.5	483.7	5.2
2027	42.36	33.4	38.8	14.1	115.9	\$986.6	\$3,771.3	\$67,007	2.9	52.9	494.5	5.2
2028	42.63	46.4	39.0	14.2	118.1	\$1,022.0	\$3,923.9	\$67,591	2.7	53.4	506.1	5.2
2029	42.90	50.4	39.3	14.3	117.9	\$1,059.0	\$4,077.7	\$68,229	2.5	53.8	518.5	5.2
2030	43.17	61.0	39.6	14.5	115.7	\$1,100.0	\$4,233.4	\$68,863	2.4	54.2	531.2	5.2
2031	43.45	61.8	39.9	14.6	112.4	\$1,141.4	\$4,390.4	\$69,501	2.3	54.7	544.2	5.2
2032	43.72	57.1	40.3	14.7	109.7	\$1,189.6	\$4,544.8	\$69,891	2.5	55.1	557.6	5.2
2033	43.98	49.4	40.6	14.8	107.1	\$1,232.2	\$4,713.3	\$70,708	2.1	55.6	571.3	5.2
2034	44.24	41.4	40.9	14.9	104.4	\$1,276.0	\$4,889.8	\$71,436	2.3	56.1	585.3	5.2
2035	44.48	38.1	41.2	15.0	102.1	\$1,316.7	\$5,075.0	\$72,143	2.4	56.6	599.7	5.2
2036	44.73	39.9	41.4	15.1	100.3	\$1,360.5	\$5,265.1	\$72,545	2.8	57.1	614.5	5.2
2037	44.98	38.8	41.7	15.2	99.3	\$1,407.4	\$5,465.4	\$72,927	2.9	57.6	629.7	5.2
2038	45.21	29.2	42.0	15.3	96.4	\$1,449.8	\$5,675.7	\$73,503	2.7	58.1	645.3	5.2
2039	45.45	34.7	42.3	15.3	93.5	\$1,495.7	\$5,893.6	\$73,930	2.9	58.6	661.3	5.2
2040	45.68	35.1	42.6	15.4	91.6	\$1,542.6	\$6,116.9	\$74,400	2.8	59.1	677.6	5.2
2041	45.92	36.4	42.9	15.5	90.0	\$1,588.4	\$6,345.6	\$74,985	2.6	59.7	694.4	5.2
2042	46.15	36.5	43.2	15.6	87.8	\$1,634.2	\$6,579.5	\$75,614	2.5	60.3	711.7	5.2
2043	46.39	34.2	43.6	15.7	85.5	\$1,681.2	\$6,818.2	\$76,288	2.4	60.8	729.4	5.2
2044	46.62	37.3	43.9	15.8	84.1	\$1,723.0	\$7,061.7	\$77,075	2.2	61.4	747.5	5.2
2045	46.85	39.1	44.2	15.8	81.7	\$1,769.9	\$7,310.2	\$77,681	2.4	62.0	766.2	5.2
2046	47.08	38.0	44.5	15.9	79.1	\$1,816.5	\$7,562.6	\$78,323	2.3	62.6	785.3	5.2
2047	47.31	37.2	44.9	16.0	77.5	\$1,864.4	\$7,822.0	\$78,958	2.3	63.2	804.9	5.2
2048	47.54	37.7	45.2	16.1	76.2	\$1,913.5	\$8,094.9	\$79,647	2.3	63.9	825.0	5.2
2049	47.77	35.6	45.5	16.1	74.7	\$1,963.9	\$8,381.1	\$80,385	2.3	64.5	845.7	5.2
2050	47.99	35.6	45.9	16.2	73.4	\$2,015.6	\$8,681.3	\$81,169	2.3	65.2	866.8	5.2

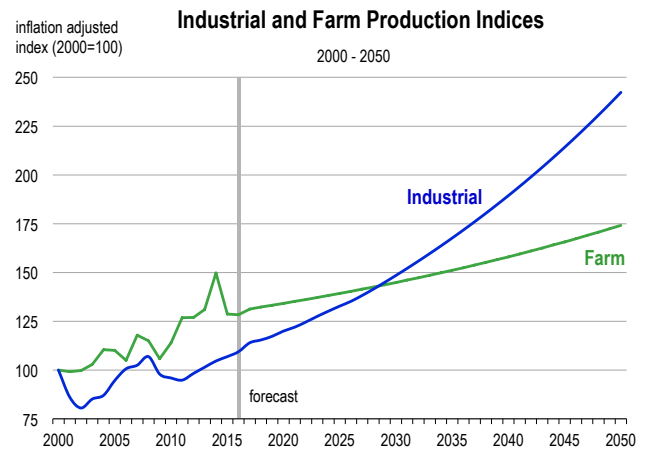
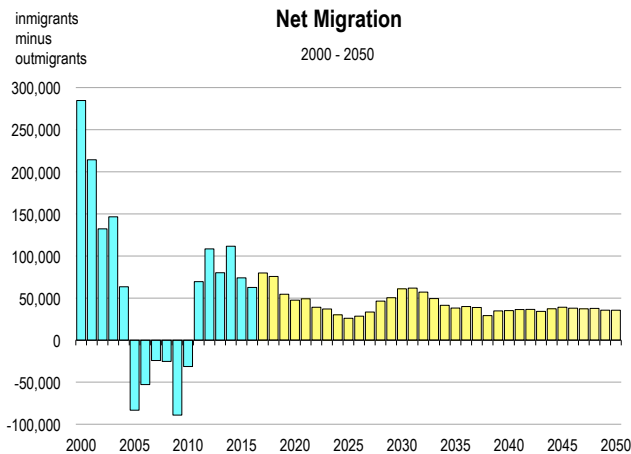
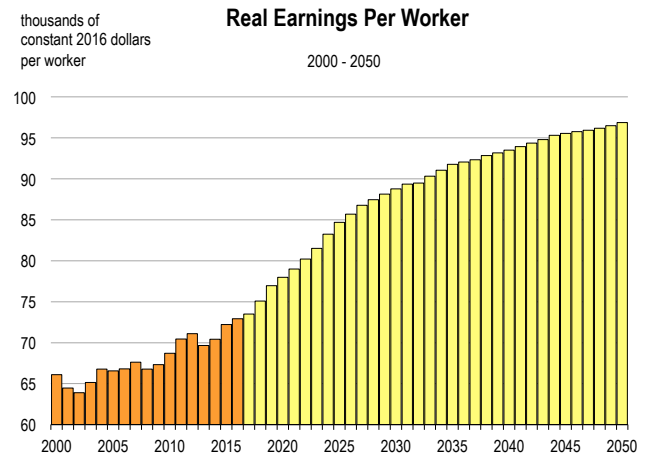
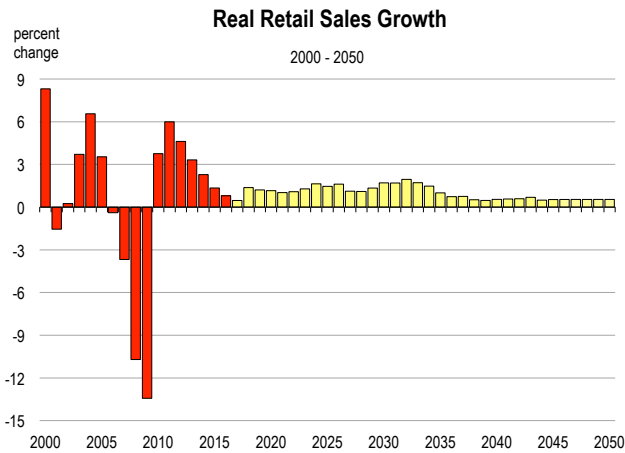


# California Employment Forecast

## 2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	14,670	383	560	1,249	466	2,162	760	2,073	429	2,127	1,501	2,448
2011	14,828	389	561	1,256	474	2,205	761	2,136	431	2,158	1,535	2,405
2012	15,164	400	590	1,261	487	2,245	773	2,237	435	2,226	1,598	2,377
2013	15,567	412	637	1,263	502	2,287	782	2,335	449	2,301	1,676	2,375
2014	15,995	416	674	1,280	523	2,335	782	2,413	462	2,370	1,758	2,414
2015	16,477	422	732	1,302	555	2,376	801	2,481	486	2,455	1,830	2,463
2016	16,903	427	774	1,306	585	2,405	823	2,531	523	2,537	1,897	2,514
2017	17,152	430	782	1,311	598	2,432	836	2,580	527	2,584	1,929	2,549
2018	17,324	422	789	1,326	608	2,455	848	2,648	533	2,598	1,940	2,555
2019	17,487	418	807	1,331	615	2,469	856	2,691	539	2,623	1,961	2,566
2020	17,631	418	814	1,336	619	2,477	864	2,728	545	2,653	1,987	2,575
2021	17,788	418	820	1,341	621	2,485	871	2,774	552	2,682	2,016	2,586
2022	17,940	418	828	1,345	623	2,494	881	2,812	557	2,709	2,046	2,597
2023	18,084	419	833	1,347	625	2,501	893	2,843	563	2,736	2,075	2,611
2024	18,225	419	839	1,349	628	2,509	905	2,877	570	2,764	2,092	2,629
2025	18,370	419	846	1,355	630	2,518	917	2,914	579	2,791	2,103	2,648
2026	18,512	419	852	1,361	632	2,525	929	2,950	587	2,816	2,115	2,666
2027	18,648	420	858	1,366	634	2,530	941	2,985	592	2,843	2,127	2,685
2028	18,808	420	866	1,370	636	2,538	954	3,034	598	2,879	2,137	2,697
2029	18,971	420	872	1,374	638	2,547	966	3,081	604	2,918	2,152	2,710
2030	19,137	420	880	1,377	641	2,556	977	3,127	609	2,956	2,169	2,722
2031	19,300	421	884	1,381	643	2,565	989	3,171	615	2,996	2,186	2,735
2032	19,458	421	887	1,384	645	2,574	1,000	3,212	621	3,036	2,204	2,747
2033	19,615	421	890	1,388	647	2,583	1,012	3,252	627	3,076	2,222	2,760
2034	19,771	421	892	1,392	649	2,592	1,023	3,288	633	3,116	2,240	2,773
2035	19,924	422	896	1,395	651	2,601	1,035	3,322	639	3,155	2,258	2,786
2036	20,079	422	900	1,399	653	2,610	1,046	3,357	645	3,195	2,276	2,799
2037	20,235	422	904	1,403	655	2,620	1,058	3,391	651	3,235	2,294	2,812
2038	20,395	423	910	1,406	658	2,629	1,069	3,427	657	3,276	2,312	2,825
2039	20,552	423	913	1,410	660	2,638	1,081	3,462	664	3,315	2,331	2,838
2040	20,710	423	916	1,414	662	2,647	1,092	3,498	670	3,356	2,349	2,851
2041	20,870	423	920	1,418	664	2,656	1,104	3,534	676	3,396	2,368	2,864
2042	21,032	424	925	1,421	666	2,666	1,115	3,571	683	3,436	2,387	2,878
2043	21,195	424	929	1,425	668	2,675	1,126	3,608	689	3,476	2,406	2,891
2044	21,357	424	933	1,429	671	2,684	1,138	3,645	696	3,516	2,426	2,905
2045	21,522	424	938	1,433	673	2,694	1,149	3,683	702	3,557	2,445	2,918
2046	21,688	425	941	1,437	675	2,703	1,161	3,721	709	3,598	2,465	2,932
2047	21,854	425	944	1,440	677	2,713	1,173	3,759	716	3,639	2,484	2,945
2048	22,025	425	949	1,444	680	2,722	1,185	3,798	723	3,681	2,504	2,959
2049	22,197	425	954	1,448	682	2,732	1,198	3,838	730	3,723	2,524	2,973
2050	22,371	426	960	1,452	684	2,741	1,210	3,877	737	3,766	2,545	2,987





## State Economic and Demographic Indicators

### Projected Economic Growth (2017-2022)

Expected retail sales growth:	6.0%
Expected job growth:	4.6%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.1%

Expected population growth:	3.6%
Net migration to account for:	18.8%
Expected growth in number of vehicles:	4.2%

### Demographics (2017)

Unemployment rate (April 2017):	4.5%
County rank* in California (58 counties):	N/A
Working age (16-64) population:	65.7%

Population with B.A. degree or higher:	31.3%
Median home selling price (2016):	\$502,700
Median household income:	\$66,091

### Quality of Life

Violent crime rate (2015):	426 per 100,000 persons
County rank* in California (58 counties):	N/A
Average commute time to work (2017):	31 minutes

High School drop out rate (2016):	10.0%
Households at/below poverty line (2017):	12.4%

\* The county ranked 1st corresponds to the lowest rate in California